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COLCHESTER, CT

2015 MAY 22 PM 2:31

Gayle Furman
GAYLE FURMAN

Town of Colchester
Board of Finance Meeting Minutes
Wednesday, May 20, 2015
Town Hall Meeting – 7:00 p.m.

Members Present: Chairman Rob Tarlov, Art Shilosky, John Ringo, James McNair

Members Absent: Rob Esteve, Tom Kane

Others Present: Selectmen: Stan Soby, Kurt Frantzen (by phone); Board of Education Member Brad Bernier; CFO Maggie Cosgrove; Registrars of Voters Dot Mrowka; Tax Collector Michelle Wyatt, Citizens: Stefani Lowe, Merja Lehtinen, and additional citizens

1. **CALL TO ORDER:** Chairman Tarlov called the meeting to order at 7:03 p.m.
2. **ADDITIONS TO THE AGENDA:** J. Ringo motioned to amend agenda to reflect that it should be the May 4, 2015 minutes, not the May 5, 2015, to be approved. Motion was seconded by J. McNair. Vote was unanimous. **MOTION CARRIED.**
3. **APPROVAL OF MINUTES -**
 - **May 4, 2015 Special Meeting:** J. Ringo motioned to approve the minutes of the May 4, 2015 special meeting amending the date to read May 4, 2015 from May 5, 2015, seconded by J. McNair. Vote was unanimous. **MOTION CARRIED.**
 - **May 6, 2015 Regular Meeting:** J. Ringo motioned to approve the minutes of the May 6, 2015 regular meeting, seconded by J. McNair. Vote was unanimous. **MOTION CARRIED.**
 - **May 11, 2015 Special Meeting:** J. Ringo motioned to approve the minutes of the May 11, 2015 special meeting, seconded by J. McNair. Vote was unanimous. **MOTION CARRIED.**
4. **CITIZEN'S COMMENTS:** M. Lehtinen questioned the cost to have the library open 7 days a week, as well as why the money to restore Saturday hours was cut from the budget. First Selectman Soby and Chairman Tarlov explained that capital was given priority when reducing the budget line items.
S. Lowe asked why GIS mapping was kept in the budget if there was nothing wrong with it. Chairman Tarlov and First Selectman Soby said that there are actually major problems with the system and they can interfere with economic development.
5. **CORRESPONDENCE:** R. Tarlov received email from S. Lowe asking about policy on out of district tuition received and what is done with funds if the Board of Education comes in under budget. (Letter and response from Chairman Tarlov attached)
6. **DEPARTMENT REPORTS**
 - a) **Finance Department:** Revenue shows little fluctuation in comparison to where we were the same time last year. Transportation grant came in a month earlier than last year. On the expenditure side partial cost of snow removal is being addressed through expected FEMA reimbursement for some of it.
 - b) **Tax Collector – Reports and Discussion:** Continue to work on enforcements. Liens were put on properties that have not paid real estate taxes. Eight properties have been forward to the attorney. Continue to work with DMV for outstanding motor vehicle taxes. New legislation will address ways that taxes can be collected.

J. Ringo motioned to approve the Tax Collector's recommendation of designated personal property, motor vehicles, motor vehicle supplemental, and real estate delinquent taxes as uncollected in the amount of \$112,528.55 be placed in suspense. Motion was seconded by A. Shilosky. Vote was unanimous. **MOTION CARRIED.**

7. FIRST SELECTMAN'S REPORT

- a) **Transfer Requests:** J. Ringo motioned to approve transfers as a block, seconded by J. McNair. Vote was unanimous. **MOTION CARRIED.** (Transfers attached)

- b) **First Selectman's Update:** State budget negotiations continues. Dept of Emergencies sent letter that they are going to follow the recommendations of the Kimball report and town's will pay based on population and call volume. Lockton did presentation with non-union employees. Negotiations with fire and police continue. Negotiations with administrators has been reached. Will be meeting with mortgage holder on a property in town that would like to see something done with. Will be meeting with the principals of the Colchester Sports Arena.

8. LIAISON REPORTS: None

9. NEW BUSINESS: None

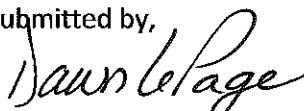
10. OLD BUSINESS:

- a) **2015/2016 Planning Objectives:** No discussion
- b) **Review of Revised Capital Plan - Equipment and Road Improvements:** No discussion
- c) **Capital Improvement Plan - Facilities-creating a funding schedule:** No discussion
- d) **Budget - Referendum:** No discussion
- e) **Building Project - Town Meeting and Referendum:** No discussion
- f) **Review of Program Fund:** No discussion.
- g) **Release of Funding Commitment - Investment Grade Audit with Honeywell:** J. Ringo motioned to cancel the commitment of the General Fund fund balance in the amount of \$32,000 for the purpose of Investment Grade Audit and return the funds to Unassigned Fund Balance, seconded by J. McNair. (Letter from M. Cosgrove attached)

11. CITIZENS COMMENTS: M. Lehtinen would like the \$32,000 that was motioned to be returned to Unassigned Fund Balance be used to open the library 7 days a week until June 30.

12. ADJOURNMENT: J. McNair motioned to adjourn, seconded by A. Shilosky . Vote was unanimous. **MOTION CARRIED.** Chairman Tarlov adjourned the meeting at 7:40pm.

Submitted by,



Dawn LePage, Clerk

From: Robert Tarlov
Sent: Thursday, May 14, 2015 6:30 PM
To: Stefani Lowe
Subject: Re: General fund

We do not currently have a policy on the out of district tuition received. Some of the money that has come in from out of district tuition has been spent on school capital projects, but not by policy. Once the budgets have been passed, we will be having a discussion to determine if a policy is needed.

Revenue, other than grants, generally flow into the General Fund. This includes the Education Cost Sharing received from the State. We generally budget something for out of district tuition. If it comes in higher, we do not use it to offset the BOE budget and if it comes in lower we not change the BOE budget.

The General Fund is made up of many elements, some are restricted or assigned in that their intended purpose is defined. The BOE unexpended budget amounts is an example of money earmarked for a specific purpose and is in assigned fund balance.

We have a fund balance policy which attempts to maintain the unassigned fund balance in a percentage range between 7% and 10% of the Town budgets. When the budget increases over time, the General Fund needs to increase to maintain the percentage. In the past, interest on the fund balance help to do this, but not in the current low interest rate environment. The percentage is important in maintaining ratings which impact the amount of interest we pay on our bonds. Our percentage is less than that desired by the rating companies, but it is by plan as we don't want to have additional money in the fund balance. The fund balance policy provides action steps when the percentage falls below 7% or above 10%.

During a fiscal year, money is sometime appropriated from fund balance for unexpected expenses. In the current year, we needed to take 46,000 from unassigned fund balance to pay for a legal expense incurred last July. In the past fiscal year we appropriated money from unassigned fund balance for snow plowing, money for an engineering study on the Paper Mill Road bridge and money for the Building Committee.

The amount of unexpended BOE 2013/2013 budget was \$41,580. In March of 2014, the BOF approved BOE's request to move that money from "Assigned Fund Balance" for evacuation chairs and school maintenance.

BoF approves special appropriations from unassigned and assigned fund balances, unless the the current amount being appropriated or the cumulative amount YTD exceeds percentages laid out in the Charter. If we are over the percentage, after BOF approval we go to Town Meeting for taxpayer approval as we recently did with the snow budget.

The General Fund changes daily, but the 6/30 balances in the various accounts that make up the General Fund can be seen under "**Fund Balance**" on page 57 of the audit:

http://www.colchesterct.gov/Pages/ColchesterCT_Dept/FIN/Budget/AuditReports/2014-06-30FianancialReport.pdf

Rob

From: Stefani Lowe [REDACTED]
Sent: Thursday, May 14, 2015 3:12 PM
To: Robert Tarlov
Subject: General fund

Robert,

What is the policy on the tuition we receive on out of district students? Why doesn't it go into the school's budget? I know it's not something we can count on from year to year but it seems that it should go to the BOE to offset their costs.

Another question I have is since the BOE doesn't necessarily spend every penny allocated and we've talked about the \$203,000 and the previous year it looks like it was \$100,000 roughly. Those items you said go into the general fund. That general fund is the town's general fund not just the schools am I right? What I would like to know is the current amount in the general fund. What happens with the general fund each year, do boards ask to have money removed from it for certain purposes? And that would be voted on by the BOF?

I'm sorry to keep asking questions but when things come up in conversations I don't have the answer to I figure to go to the source.

Thanks again,

Stefani Lowe

FY 14/15

Town of Colchester
General Fund
Budget Transfer/Additional Appropriation

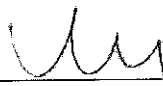
Department: Boards and Commissions

Reason for Request: Non-employee serving as Clerk for Board of Finance (BOF) meetings

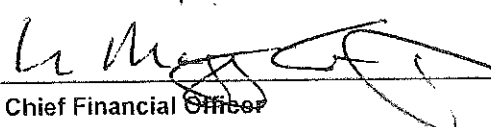
Reason for Available Funds: Funds budgeted for Regular payroll for employee serving as Clerk for BOF meetings

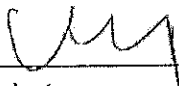
From:	Account Number	Account Name	Amount
	11105-40103	Overtime	2,253
To:	Account Number	Account Name	Amount
	11105-40105	Contractual, Temporary, Occasional P/R	2,253

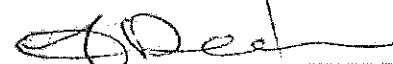
Apr 13, 2015
Date Requested


Department Director or Supervisor - Signature

Print Name Stan Soby, First Selectman


Date Reviewed 4/28/15
Chief Financial Officer


Date Approved 4/29/15
First Selectman


Date Approved 5/7/15
Board of Selectmen Clerk

Date Approved
Board of Finance Clerk

FY 14/15

Town of Colchester
General Fund
Budget Transfer/Additional Appropriation

Department: Planning & Code Administration

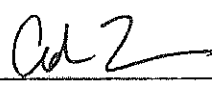
Reason for Request: Several additional and longer meetings than anticipated

Reason for Available Funds: Not using an contractual, temporary or occasional help

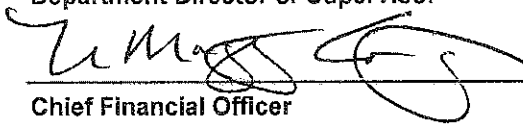
From:	Account Number	Account Name	Amount
	11411-40105	Contr, Temp & Occasional	500

To:	11411-40103	Overtime	500

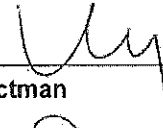
Apr 21, 2015
Date Requested


Department Director or Supervisor

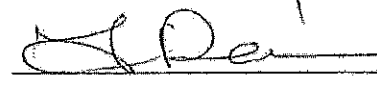
4/28/15
Date Reviewed


Chief Financial Officer

4/24/15
Date Approved


First Selectman

5/7/15
Date Approved


Board of Selectmen Clerk

Date Approved

Board of Finance Clerk

FY 14/15

Town of Colchester
General Fund
Budget Transfer/Additional Appropriation

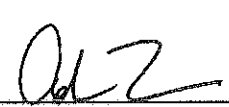
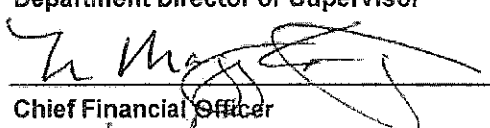
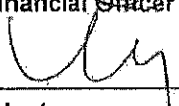

Department: Planning & Code Administration

Reason for Request: Additional printing of forms and business cards due to personnel changes

Reason for Available Funds: Fewer requests from personnel for membership fees

From:	Account Number	Account Name	Amount
	11411-43258	Professional Memberships	300

To:	11411- 44232	Printing and Publications	300

Apr 21, 2015	
Date Requested	Department Director or Supervisor
4/28/15	
Date Reviewed	Chief Financial Officer
4/29/15	
Date Approved	First Selectman
5/7/15	
Date Approved	Board of Selectmen Clerk
Date Approved	Board of Finance Clerk

FY 14/15


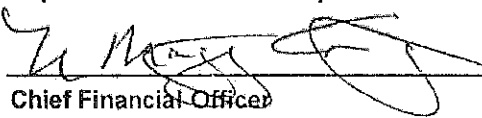
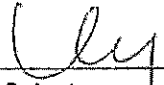
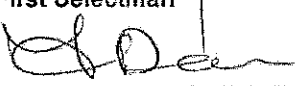
Town of Colchester
 General Fund
 Budget Transfer/Additional Appropriation

Department: Planning & Code Administration

Reason for Request: To cover the services of the Acting Fire Marshal Sean Shoemaker (non employee)

Reason for Available Funds: Vacancy of the position of Building Official

From:	Account Number	Account Name	Amount
	11411-40101	Regular Payroll	4,825
To:	11411- 44208	Professional Services	4,825

Apr 21, 2015	
Date Requested	Department Director or Supervisor
4/28/15	
Date Reviewed	Chief Financial Officer
4/21/15	
Date Approved	First Selectman
5/7/15	
Date Approved	Board of Selectmen Clerk
Date Approved	Board of Finance Clerk

Town of Colchester
 General Fund
 Budget Transfer/Additional Appropriation

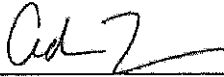
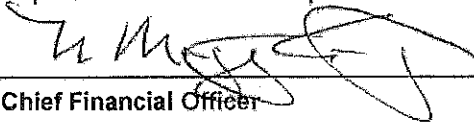
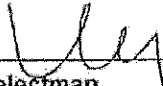

FY 14/15

Department: Planning & Code Administration

Reason for Request: To cover reimbursement of Conference for A. Turner, Town Planner

Reason for Available Funds: Fewer requests from personnel for membership fees

From:	Account Number	Account Name	Amount
	11411-43258	Professional Memberships	300
To:	11411- 43213	Mileage, Training & Meetings	300

Apr 21, 2015	
Date Requested	Department Director or Supervisor
4/28/15	
Date Reviewed	Chief Financial Officer
4/29/15	
Date Approved	First Selectman
5/7/15	
Date Approved	Board of Selectmen Clerk
Date Approved	Board of Finance Clerk

FY 14/15

Town of Colchester
General Fund
Budget Transfer/Additional Appropriation

Department: Finance

Reason for Request: Membership dues increase for CT Society of CPAs greater than anticipated

Reason for Available Funds: Funds budgeted for training resources used to cover dues increase (lower fees available for training seminars based upon membership in organization)

From:	Account Number	Account Name	Amount
	11301-43213	Mileage, Training & Meetings	3

To:	Account Number	Account Name	Amount
	11301-43258	Professional Memberships	3

Apr 24, 2015
Date Requested Department Director or Supervisor - Signature

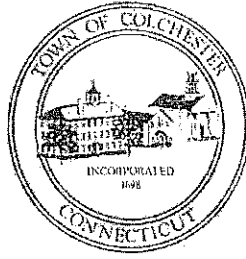
Print Name N. Maggie Cosgrove, CFO

Apr 24, 2015
Date Reviewed Chief Financial Officer

4/21/15
Date Approved First Selectman

5/7/15
Date Approved Board of Selectmen Clerk

Date Approved Board of Finance Clerk



**N. Maggie Cosgrove
Chief Financial Officer
Finance Department**

Date: April 28, 2015

To: Board of Finance
Board of Selectmen

From: N. Maggie Cosgrove, CFO

Subject: Release of Funding Commitment – Investment Grade Audit with Honeywell

Background

At a joint Board meeting on November 17, 2011, the BOF, BOS and BOE agreed conceptually to move forward with an energy services investment grade audit of all Town/BOE facilities to be performed by Honeywell.

If the Town did not enter into an energy performance contract with Honeywell, then the Town would have been obligated to pay a sum of \$32,000 for the investment grade audit. Since the Town did enter into a contract with Honeywell, the Town has no separate payment obligation for the investment grade audit, as the fee was incorporated into the Energy Savings Performance Contract and paid through the contract's funding mechanisms.

In fiscal 2011-2012, the BOS and BOF approved a commitment of General Fund fund balance in the amount of \$32,000 for this specific purpose in lieu of approving an appropriation of funds at that time.

Recommendation

Since the Town has no further obligation to make a separate payment for the Investment Grade Audit, it is recommended that both the BOS and BOF cancel the commitment of General Fund fund balance in the amount of \$32,000 for that purpose, and return the funds to Unassigned Fund Balance of the General Fund.

In accordance with Governmental Accounting Standards Board Statement #54 Fund Balance Reporting and Governmental Fund Type Definitions, *Committed fund balance* includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority, and may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.